



CITY OF TUCSON

NEWS RELEASE

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COMMUNITY BANKING PROGRAM UPDATE

The City of Tucson has selected Alliance Bank of Arizona, the state's largest locally owned bank, for its Community Banking Program. The Mayor and Council established the program in May as a way to invest \$5 million from the City's Investment Pool in a local bank or credit union to provide funding for loans to local businesses and individuals.

"This is yet another way we can spur job growth, keeping taxpayer dollars local so area businesses can access loans to open or expand," said Council Member Karin Uhlich, the primary sponsor of the new initiative.

The City solicited a request for offers from seven financial institutions which met the definition of a local bank of credit union. Of the two offers received, Alliance Bank of Arizona was selected after it submitted the best overall offer in terms of yield, local use of funds received and local community lending programs.

Alliance Bank of Arizona's banking model focuses on locally owned small and midsize business and non-profit organizations in the Tucson area. In its eight-year existence, Alliance Bank of Arizona has extended over \$1 billion in loans in the Tucson area for projects to improve the quality of life and the growth of local businesses and organizations. Alliance Bank of Arizona has recently been involved with lending to local projects such as the Ghost Ranch Lodge on Miracle Mile, solar panel projects at the Tucson Convention Center, Mercado San Agustin, La Paloma Family Services and One North Fifth/Depot Plaza.

In July, the City deposited \$5 million into a two-year Certificate of Deposit Account Registry Service (CDARS) at Alliance Bank of Arizona. This is a reciprocal CDARS program whereby Alliance Bank of Arizona places deposits in CDs of various banks across the county up to amounts insured by Federal Deposit Insurance Corporation (FDIC) and in turn the funds are reciprocally deposited back to the Alliance Bank of Arizona and made available to support local lending initiatives that help build a stronger community and spur local economic activity.

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